STATE OF ILLINOIS SECRETARY OF STATE SECURITIES DEPARTMENT

IN THE MATTER OF: PAUL MILLER; 7 WEST PARTNERS LLC; AND **SOUTHERN MEDIA LLC**

File No. C1000291

NOTICE OF HEARING

TO THE RESPONDENTS: 7 WEST PARTNERS LLC

c/o Paul Miller 702 S. Monroe

Hinsdale, Illinois 60521

SOUTHERN MEDIA LLC

c/o Paul Miller 702 S. Monroe

Hinsdale, Illinois 60521

PAUL MILLER 702 S Monroe

Hinsdale, Illinois 60521

c/o Michael Martin-Johnston Thomas W Lynch, P.C. 9231 S. Roberts Road Hickory Hills, Illinois 60457

You are hereby notified that pursuant to Section 11 F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on March 30, 2011 at the hour of 10 00 a.m. or as soon as possible thereafter, before James Kopecky or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered prohibiting Paul Miller, 7 West Partners LLC and Southern Media LLC, from offering, advising the sale of, and selling securities in the State of Illinois, and/or granting such other relief as may be authorized under the Act including but not limited to the imposition of a monetary fine in the maximum amount pursuant to Section 11 E(4) of the Act, payable within ten (10) business days of the entry of the Order

The grounds for such proposed action are as follows:

BACKGROUND FACTS

- 7 West Partners LLC ("Respondent 7West" or collectively with Respondent Paul Miller, "Respondents") is an Illinois corporation. Its last known address is 702 S. Monroe, Hinsdale, Illinois 60521.
- Southern Media LLC ("Respondent Southern" or collectively with Respondent Paul Miller, "Respondents") is purported an Illinois corporation. Its last known address is 702 S Monroe, Hinsdale, Illinois 60521.
- 3. Paul Miller ("Respondent Miller" or collectively with Respondent 7West and/or Southern, "Respondents") was the sole Manager of Respondent 7West at all relevant times herein. His last known address is 702 S. Monroe, Hinsdale, Illinois 60521.
- 4. Investor JL is a resident of Illinois.
- On or about July 23, 2009, on the behalf of Respondent Southern, Respondent Paul Miller offered and sold to Investor JL a \$15,000 8% rate of return, due in one year from the date of the investment. In exchange, JL gave respondents a check in the amount of \$15,000.00.
- 6. On or about November 10, 2009, on the behalf of Respondent 7West, Respondent Paul Miller offered and sold to Investor JL a \$45,000 6% rate of return, due upon demand from investor. In exchange, JL gave respondents two checks totaling \$45,000 00
- 7. From July 23, 2009 through May 5, 2010, Respondent Miller transferred funds invested by Investor JL to Respondent Miller's personal bank accounts
- To date, despite demands, the Respondents have failed to pay investor his principal and interest, pursuant to the terms of the promissory note
- 9. To date, despite demands, investor has not received monies back from his investments, pursuant to the terms of the promissory notes.

Notice of Hearing

- 3 -

10. That the activities set forth in paragraphs above constitute the offer and sale of Notes, and therefore a security, as those terms are defined in Section 2.1, 2.5 and 2 5a of the Illinois Securities Law of 1953, 815 ILCS 5/1 et seq.

815 ILCS 5/12.A and D violations: Respondents are unregistered securities.

- 1-10 The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 10 above, as paragraphs 1 through 10 of this Count I.
- 11. Section 12.A of the Illinois Securities Law of 1953, 815 ILCS 5/1 et seq., (the "Act") states that it shall be a violation of the provisions of this Act for any person to "offer or sell any security except in accordance with the provisions of this Act"
- 12. Section 5 of the Act provides, <u>inter alia</u>, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois
- 13. Section 12.D of the Illinois Securities Law of 1953, 815 ILCS 5/1 et seq, states that it shall be a violation of the provisions of the Act for any person to "fail to file with the Secretary of State any application, report or document under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.
- Respondents failed to file an application for registration of the abovereferenced securities with the Secretary of State and as a result, the securities were not registered pursuant to Section 5 of the Act prior to their offer and sale in the State of Illinois.
- 15. By virtue of the foregoing, Respondents violated Sections 12.A and 12 D of the Act

COUNT II

815 ILCS 5/12.F violation: Respondents engaged in practices in connection with the sale of securities that worked a fraud or deceit on the purchaser thereof

- 1-10. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 10 of Count I, as paragraphs 1 through 10 of this Count II
- 11. Section 12.F of the Illinois Securities Law of 1953, 815 ILCS 5/1 et seq., states that it shall be a violation of the provisions of the Act for any person to "engage in any transaction, practice, or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof."
- The facts alleged in paragraphs 1 through 11 above allege facts that show conduct by the Respondents that violate Section 12.F of the Act. In particular Respondents did not invest Complainants' funds for the benefit of Complainants and instead, Respondents converted Complainants' money for Respondents' own personal use and benefit.

COUNT III

815 ILCS 5/12.G violation: Respondents obtained Complainants' money by making untrue statement of material fact and omission to state a material fact

- 1-10. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 10 of Count I, as paragraphs 1 through 10 of this Count III.
- 11. Section 12.G of the Illinois Securities Law of 1953, 815 ILCS 5/1 et seq., states that it shall be a violation of the provisions of the Act for any person to "obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading."
- The facts alleged in paragraphs 1 through 11 above allege facts that show conduct by the Respondents that violate Section 12.G of the Act. In particular: Respondents represented in marketing material how the investor's funds would be used to invest in a restaurant and radio broadcasting company Instead, Respondents converted Complainants' money for Respondents' own personal use and benefit.

Notice of Hearing

COUNT IV

815 ILCS 5/12.I violation: Respondent employed a scheme to defraud in connection with the sale of securities

- 1-10. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 10 of Count I, as paragraphs 1 through 10 of this Count IV.
- Section 12.I of the Illinois Securities Law of 1953, 815 ILCS 5/1 et seq., states that it shall be a violation of the provisions of the Act for any person to "employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly."
- The facts alleged in paragraphs 1 through 11 above allege facts that show conduct by the Respondents that violate Section 12.1 of the Act In particular. Respondent Miller Respondents solicited and sold promissory notes to investor purporting that the investor's funds would be used to invest in a restaurant and radio broadcasting company. Instead, Respondent converted Investor's funds for Respondent's own personal use and benefit.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 III. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be requested by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance

A copy of the Rules, promulgated under the Act and pertaining to hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice.

Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated This 4th day of February 2011

JESSE WHITE
Secretary of State
State of Illinois

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